

NPO Pharmacy Corner

March 26, 2011

E-Prescribing is one of the initiatives that we are participating in as a PO. All practice units who are part of the PGIIP program (not just the PCMH nominees) automatically are included, whether they e-Prescribe or not. I am the lead for this incentive. We as a team are committed to supporting all of our members as they implement or improve their e-Prescribing programs. We have a Physician/Pharmacist committee working on this initiative to help you with ideas on both sides of the computer. This week I want to share with you information from the Federal Government on incentives and penalties related to e-Prescribing.

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) mandates that starting in 2009, Medicare will pay incentives to health care providers for e-Prescribing.

- **The amount of the incentive for e-Prescribing will gradually decrease** over a five-year period, while **the penalty for not e-Prescribing** will subsequently increase. Physicians that implement e-Prescribing in their offices can expect an incentive payment equal to 2% of their overall Medicare reimbursement rates in 2009 and 2010, a 1% incentive in 2011 and 2012, and a 0.5% incentive in 2013.
- **The penalty for not implementing e-Prescribing** will result in a reduction of Medicare reimbursement by 1% in 2012, 1.5% in 2013, and 2% in 2014.

CMS has estimated the cost of implementing and maintaining an e-Prescribing system to be approximately \$3000 per prescriber for start-up, and \$80-\$400/month per prescriber for ongoing operation (or \$3880/year, on average) for the first 3 years.